



中新集團
NEO CHINA GROUP

NEO-CHINA GROUP (HOLDINGS) LIMITED

中新集團（控股）有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 563)

**FURTHER INVESTMENT IN LAND DEVELOPMENT
PROJECT IN TIANJIN
OF APPROXIMATELY 7,000,000 SQ.M.**

The Board is pleased to inform the Company's shareholders that the Company entered into a formal joint venture agreement on 22 November 2006 in relation to the establishment of a joint venture in Tianjin for a land development project at 海河中段南側土地 in Jin Nan District, Tianjin.

The announcement is made pursuant to Rule 13.09 of the Listing Rules.

Establishment of Tianjin Zhongxin Shuicheng Land Co. Limited

The board of directors of the Company (the "Board") is pleased to inform the Company's shareholders that, on 22 November 2006, the Company's wholly-owned subsidiary, Neo China Properties (China) Ltd. ("NCPC"), entered into a formal joint venture agreement ("**Joint Venture Agreement**") with 天津市點石投資諮詢有限公司 (Tianjin Dianshi Investment and Consulting Limited) ("**Dian Shi**") and 天津辛莊經濟發展中心 (Tianjin Xin Zhuang Economic Development Centre) ("**Tianjin Xin Zhuang**") for setting up 天津中新水城置地有限公司 (Tianjin Zhongxin Shuicheng Land Co. Limited) (the "**Joint Venture**"). The parties also signed the articles of association of the Joint Venture ("Articles of Association") on the same day.

To the best of the directors' knowledge, information and belief, having made all reasonable enquiry, Dian Shi, Tianjin Xin Zhuang and their respective beneficial owners are independent of and not connected with the Company or any of its subsidiaries or any of their respective directors or substantial shareholders or any of their respective associates.

The Joint Venture will engage a project in relation to the land development, relocation and construction of city infrastructure (“**Project**”) for a plot of land of approximately 7,000,000 sq.m. on the south bank of the middle section of Hai He River (海河中段南側土地) in Jin Nan District, Tianjin (the “**Land**”). The Board is pleased to inform its shareholders that the Municipal Government Tianjin Jin Nan District (the “**Municipal Government**”) approved the Project and the establishment of the Joint Venture on 8 November 2006.

On 21 November 2006, the Municipal Government further confirmed in writing that the Joint Venture is engaged to exclusively assist the Municipal Government in the investment and development of the Project in order to fulfil the conditions for public auction of the Land. The Municipal Government further agreed that it will retain not more than 25% of the profits when the Land is sold through public auction and the Joint Venture will retain the rest of the profits.

Pursuant to the Joint Venture Agreement, Dian Shi, Tianjin Xin Zhuang and NCPC will hold 10%, 25% and 65% of the interest in the Joint Venture respectively. The proposed total investment amount of the Joint Venture was US\$29,000,000 (approximately HK\$226,200,000) and the proposed registered capital of the Joint Venture was US\$15,000,000 (approximately HK\$117,000,000). NCPC will inject US\$15,000,000 into the Joint Venture within 30 days from the date of the issuance of the business licence of the Joint Venture while Dian Shi and Tianjin Xin Zhuang will provide management expertise and other resources in relation to the Project. According to the Articles of Association, amongst other things, NCPC will appoint 5 directors out of 7 directors and the chairman of the board in the Joint Venture, and it will be entitled to 65% of the profits of the Joint Venture.

In addition to the existing land projects of the Company in Tianjin, the Board is confident that the establishment of the Joint Venture represented a good opportunity for the Group to further expand its business in the property market in Tianjin.

This announcement is made by the order of the Board, of which the directors individually and jointly accept responsibility for the accuracy of the information contained in this announcement.

By Order of the Board of
Neo-China Group (Holdings) Limited
Li Song Xiao
Chairman

Hong Kong, 22 November 2006

As at the date of this announcement, the Board comprises Mr Li Song Xiao as chairman; Mr Liu Yi, Ms Niu Xiao Rong, Mr Yuan Kun and Ms. Liu Yan as executive Directors; Ms Nie Mei Sheng, Mr Wang Shiyong and Mr. Zhang Qing Lin as independent non-executive Directors.

** For identification purpose only*

Please also refer to the published version of this announcement in The Standard.